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FM SECSTATE WASHDC  
TO RUEHAD/AMEMBASSY ABU DHABI PRIORITY 2944  
INFO MISSILE TECHNOLOGY CONTROL REGIME COLLECTIVE  
RUEHDE/AMCONSUL DUBAI 8236

S E C R E T SECTION 01 OF 02 STATE 133865

SIPDIS

E.O. 12958: DECL: 12/23/2033

TAGS: [PARM](#) [MTCRE](#) [PREL](#) [MNUC](#) [ETTC](#) [SZ](#) [IR](#) [AE](#)

SUBJECT: UAE INTERMEDIARY USED TO DISGUISE IDENTITY OF  
IRANIAN END-USER FROM SWISS EXPORT OFFICIALS (S)

REF: STATE 132055

Classified By: ISN/MTR DIRECTOR PAM DURHAM FOR REASONS 1.4 (B), (C),  
AND (D).

¶1. (U) This is an action request. Embassy Abu Dhabi,  
please see paragraph 4.

¶2. (S) Background: We have information indicating that  
as of early November 2008, the UAE-based firm Alkaen  
Equipment and Industrial Supplies LLC was working to  
provide Iran's Farazeh Equipment Distributor Company  
(FEDCO) with a large quantity of products supplied by  
the Swiss firm Quartzcom Ltd. The equipment was flown  
from Switzerland to the UAE in late October/early  
November, and then transshipped by Alkaen to FEDCO in  
Iran. We believe that Alkaen was used in order to  
disguise from Swiss export control officials the fact  
that the goods were actually destined for an Iranian  
end-user. Although the items supplied to FEDCO are not  
controlled by any of the multilateral export control  
regimes and are widely used in commercial applications,  
they can also be used in ballistic missile and unmanned  
aerial vehicle (UAV) programs. FEDCO has acted as a  
supplier to entities affiliated with both Iran's  
ballistic missile and UAV programs.

¶3. (S) Objectives: We want to advise UAE officials of  
Alkaen's role in providing FEDCO with Swiss-origin  
items and request that they investigate and take  
measures to ensure that Alkaen ceases its activity on  
behalf of Iranian entities of proliferation concern.

¶4. (S) Action Request: Request Embassy Abu Dhabi  
approach appropriate UAE authorities to deliver talking  
points/non-paper in paragraph 5 below and report  
response. Talking points also may be provided as a  
non-paper. We are also sharing this information with  
Swiss officials (Ref).

¶5. (S) Begin talking points/non-paper:

(SECRET//REL UAE)

-- We would like to raise with you a matter of  
proliferation concern and request your government's  
assistance in investigating this activity.

-- We have information indicating that as of early  
November 2008, the UAE-based firm Alkaen Equipment and  
Industrial Supplies LLC was working to provide Iran's  
Farazeh Equipment Distributor Company (FEDCO) with  
approximately \$150,000 worth of products - including  
crystal oscillators - supplied by the Swiss firm  
Quartzcom Ltd.

-- This equipment was delivered by air from Switzerland  
to Alkaen in the UAE in late October/early November.

-- Alkaen, in turn, transshipped the goods to FEDCO in Iran.

-- We believe that Alkaen, the UAE intermediary, was used in order to disguise from Swiss export control officials the fact that the goods were actually destined for an Iranian end-user.

-- Crystal oscillators are common in telecommunications, navigation, avionics, and precise measurement industries. They are not controlled and are widely used in many commercial applications.

-- However, they can also be used in ballistic missile and unmanned aerial vehicle applications.

-- FEDCO has supplied sensitive goods to entities affiliated with Iran's ballistic missile and unmanned aerial vehicle program.

-- We urge you to investigate this activity and take measures to ensure that Alkaen ceases its activity on behalf of Iranian entities of proliferation concern.

-- We appreciate your support and look forward to hearing of any actions your government takes in response to this information.

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-- We are also discussing this matter with Swiss officials.

End talking points/non-paper.

16. (U) Please contact ISN/MTR's John Paul Herrmann with any questions or follow-up issues related to this case (202-647-1430 - herrmannjp@state.sgov.gov) and slug reporting on this issue for ISN/MTR.

17. (U) A word version file of this document will be posted at [www.state.sgov.gov/demarche](http://www.state.sgov.gov/demarche).  
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